



THE COMMONWEALTH OF MASSACHUSETTS

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DIA REDUCES WORKERS COMP RATE

The Massachusetts Department of Industrial Accidents (DIA) today announced that it will cut assessment rates paid by employers on their workers' compensation policies.

The 5 percent reduction in assessments on all workers' compensation policies means businesses in Massachusetts will save an estimated total of \$2.5 million in workers' compensation costs in the coming year. The reduction is the result of a lower payout from the state's Workers Compensation Trust Fund (WCTF).

This is the second assessment rate cut in a row for the Commonwealth. In 2005, the rate was cut by 11 percent, resulting in an estimated savings of \$7.7 million for the employers across the state.

"Aggressive efforts at DIA to ensure that employers have workers' compensation coverage have saved businesses more than \$10 million in the last two years," said DIA Commissioner Henry J. Swiniarski. "Through enhanced enforcement, we've also increased the number of employers that pay into the workers' compensation system."

The DIA oversees the workers compensation system and is the court for disputed workers compensation claims in Massachusetts. The WCTF pays for uninsured injuries and certain reimbursements to workers compensation insurance carriers.

To reduce employer costs, the DIA has prioritized the auditing of insurers to ensure that all assessments are paid, resulting in more than \$9 million since 2003. Negotiated settlements on "second injury fund" cases have saved the WCTF \$15 million in recent years and a recent court victory resulted in \$2.5 million per year in cost of living adjustment reimbursement payments to Massachusetts.

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“Maintaining appropriate levels of workers’ compensation insurance protects employees in Massachusetts and is the law,” said John Ziemba, Director for the Department of Labor. “Through the DIA’s increased enforcement efforts, we’ve been able to lower assessments for all employers.”

The new assessment rate took effect on July 1.

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